

CHAPTER 15. AIRCRAFT

Subchapter	Section
1. General Provisions.....	710:15-1-1
2. Aircraft Dealer Licenses.....	710:15-2-1
3. Registration.....	710:15-3-1
5. Aircraft Excise (RESERVED)	710:15-5-1

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CHAPTER 15. AIRCRAFT

SUBCHAPTER 1. GENERAL PROVISIONS	1
710:15-1-1. Purpose	1
710:15-1-2. Definitions [RESERVED]	1
SUBCHAPTER 2. AIRCRAFT DEALER LICENSES	1
710:15-2-1. Purpose	1
710:15-2-2. Definitions [RESERVED]	1
710:15-2-3. General provisions	1
710:15-2-4. Qualification for Aircraft Dealer License	1
710:15-2-5. Application	2
710:15-2-6. Exemptions of licensed aircraft dealer	2
710:15-2-7. Granting of license; options available upon denial	3
710:15-2-8. Cancellation, suspension, revocation of license	3
710:15-2-9. Cancellation, revocation, or forfeiture	3
SUBCHAPTER 3. REGISTRATION	4
PART 1. GENERAL REGISTRATION PROVISIONS	4
710:15-3-1. Purpose and authority for annual registration fee on aircraft	4
710:15-3-2. Time fees are to be paid	4
710:15-3-3. Schedule of fees; personal property assessment in lieu of registration fee	4
PART 3. ORIGINAL APPLICATIONS	5
710:15-3-10. Procedures for making original application for registration of aircraft	5
710:15-3-11. Waiver of penalty imposed against original applicants	6
PART 5. RENEWAL AND TRANSFER	6
710:15-3-20. Renewal and transfer of aircraft registration	6
PART 7. EXEMPTIONS	6
710:15-3-30. Dealers and manufacturers exemption	6
710:15-3-31. Other exemptions	7
PART 9. ENFORCEMENT	7
710:15-3-40. Enforcement of registration due on aircraft operating within the State of Oklahoma	7
SUBCHAPTER 5. AIRCRAFT EXCISE [RESERVED]	8

CHAPTER 15. AIRCRAFT

SUBCHAPTER 1. GENERAL PROVISIONS

710:15-1-1. Purpose

The provisions of this Chapter have been promulgated for the purpose of compliance with the Oklahoma Administrative Procedures Act, 75 O.S. §§250.1 et seq, and to facilitate the administration, enforcement, and collection of taxes and other levies enacted by the Oklahoma Legislature with respect to aircraft.

710:15-1-2. Definitions [RESERVED]

SUBCHAPTER 2. AIRCRAFT DEALER LICENSES

710:15-2-1. Purpose

The provisions of this Subchapter have been promulgated for the purpose of compliance with the Oklahoma Administrative Procedures Act, 75 O.S. § 250 et seq, and to facilitate the implementation, administration, and enforcement of Section 254.1 of Title 3 of the Oklahoma Statutes, which requires that any person engaged in the business of selling, or serving in the capacity of, or acting as, a dealer of new or used aircraft in this state first obtain a license from the Oklahoma Tax Commission.

[Source: Added at 18 Ok Reg 2805, eff 6-25-01]

710:15-2-2. Definitions [RESERVED]

[Source: Reserved at 18 Ok Reg 2805, eff 6-25-01]

710:15-2-3. General provisions

(a) Any person engaging in the business of selling either new or used aircraft in this state must obtain an aircraft dealer license. The holder of a valid Oklahoma Aircraft Dealer License shall be exempt from both the registration requirements of 3 O.S. § 254(C) and from the excise tax levied by 68 O. S. § 6002 on aircraft held in inventory for sale, and reflected in the monthly, certified dealer sales report.

[See: 710:15-3-30]

(b) A separate license is required for each location at which an Aircraft Dealer's business is carried out, and an application and fee must be submitted to obtain a license for each location.

[Source: Added at 18 Ok Reg 2805, eff 6-25-01]

710:15-2-4. Qualification for Aircraft Dealer License

(a) **Status as a bona fide dealer.** In addition to all conditions mandated by statute, compliance with the prerequisites and qualifications described in this Section must be established in order to qualify for issuance or renewal of an

Aircraft Dealer License:

(1) If the applicant is a new dealer who has not previously engaged in the business of making sales of aircraft, the applicant shall provide a business plan or other documentation that will show that the applicant may reasonably be expected to be actively engaged in the sale of aircraft.

(2) The applicant must provide information showing that the location to be licensed is an establishment that has been consistently identified as an aircraft dealership in advertising signs, telephone book listings, or other documentation which will show that anyone visiting the location to be licensed will be able to clearly identify the location as being in the business of buying and selling aircraft.

(3) The applicant must provide a financial statement, contracts, business plans that are indicative of the applicant's ability to carry on the business of buying and selling aircraft consistent with the safeguarding of the public interest and the public welfare.

(4) The applicant must provide any other pertinent information which the Tax Commission may require.

(b) **Tax compliance status.** The applicant shall be in good standing with all tax laws of the State of Oklahoma.

[Source: Added at 18 Ok Reg 2805, eff 6-25-01; Amended at 21 Ok Reg 1123, eff 5-13-04]

710:15-2-5. Application

(a) Application for an Aircraft Dealer License may be made to the Business Tax Services Division, Oklahoma Tax Commission, P.O. Box 26850, Oklahoma City, OK 73126-0850.

(b) All applications must be accompanied by the fee of \$250.00 which shall be refundable if the application is denied.

(c) The application shall be on the form prescribed by the Oklahoma Tax Commission and complete and correct in all material aspects.

(d) The application must be verified under the oath or affirmation of the applicant.

(e) Each application, whether for a new license or for renewal of an existing license must be accompanied by a listing of the aircraft owned by the applicant, as of the day the application is made, using the Aircraft Dealer Report form.

(f) Each applicant must timely submit an Aircraft Dealer Report form showing all subsequent purchases and sales, if any, during the time that the license is pending.

[Source: Added at 18 Ok Reg 2805, eff 6-25-01]

710:15-2-6. Exemptions of licensed aircraft dealer

Aircraft owned by a licensed dealer and in that dealer's inventory of aircraft held for sale, are exempted from the levy of the Aircraft Excise Tax and from the payment of Aircraft registration fees, provided that:

(1) The aircraft was acquired during the period of time that the dealer held a

valid license;

(2) The aircraft has been listed on the aircraft dealer report as being purchased for resale; and,

(3) The aircraft is not used by the dealer for personal or business use.

[Source: Added at 18 Ok Reg 2805, eff 6-25-01]

710:15-2-7. Granting of license; options available upon denial

(a) The Tax Commission shall be the sole judge of an applicant's qualifications and may deny an application or refuse to issue an Aircraft Dealer License.

(b) Proceedings related to the refusal to issue a license pursuant to this Section shall be governed by 710:1-5-100 and 710:1-5-21 through 710:1-5-49, which set out general rules of Practice and Procedure before the Office of the Administrative Law Judges.

[Source: Added at 18 Ok Reg 2805, eff 6-25-01]

710:15-2-8. Cancellation, suspension, revocation of license

(a) An Aircraft Dealer License may be cancelled by the Commission if the dealer's sales of aircraft fall below the qualifying threshold.

(b) The Commission may revoke a license upon information that the license has been used by persons other than to whom it was issued.

(c) The Commission may suspend, cancel, or revoke an Aircraft Dealer License, at any time, for non-compliance with the provisions of this Subchapter, with applicable Oklahoma tax statutes, or for other good cause shown.

(d) Proceedings related to the cancellation or revocation of a license pursuant to this Section shall be governed by 710:1-5-100 and 710:1-5-21 through 710:1-5-49, which set out general rules of Practice and Procedure before the Office of the Administrative Law Judges.

[Source: Added at 18 Ok Reg 2805, eff 6-25-01]

710:15-2-9. Cancellation, revocation, or forfeiture

(a) Any entity whose aircraft dealer license is refused, expires and is not renewed, is voluntarily forfeited, or is cancelled or revoked by action of the Commission, must immediately register and remit the aircraft excise tax and registration fees on any aircraft owned by the entity on which the aircraft registration fees and the aircraft excise tax were not paid at the time of the aircraft's acquisition by the dealer. Failure to do so may result in the assessment of the registration fees, the excise tax, and the possible imposition of an administrative fine.

(b) The Tax Commission may impose a fine not to exceed Five Hundred Dollars (\$500.00) for each day that a dealer is in violation of 3 O. S. Section 254.1(F), any of the rules set out in this Subchapter, or for any of the following reasons:

(1) Failure to meet or maintain the conditions and requirements necessary to qualify for the issuance of a license;

(2) Failure to maintain an established place of business;

- (3) Proof of the unfitness of any applicant for a license;
- (4) Making a material misstatement in any application for a license;
- (5) A change in condition after a license is granted which results in the dealer no longer qualifying for the license;
- (6) Use of false or misleading advertising in connection with the business as a dealer; or,
- (7) Commission of any unlawful act which resulted in the revocation of any similar license in another state, failure or refusal to perform any written agreement with any retail buyer involving the sale of an aircraft, conviction of a crime involving moral turpitude, commission of a fraudulent act in selling, purchasing, or otherwise dealing in aircraft, or misrepresentation in the terms and conditions of a sale, purchase, or contract for sale or purchase of an aircraft. [3 O. S. Section 254.1]

[Source: Added at 18 Ok Reg 2805, eff 6-25-01; Amended at 21 Ok Reg 1123, eff 5-13-04]

SUBCHAPTER 3. REGISTRATION

PART 1. GENERAL REGISTRATION PROVISIONS

710:15-3-1. Purpose and authority for annual registration fee on aircraft

The provisions of this Subchapter have been promulgated in compliance with the Oklahoma Administrative Procedures Act and pursuant to the authority and power granted the Oklahoma Tax Commission, Aircraft Registration Fees levied by statute shall be administered and implemented in accordance with the provisions set out in this Subchapter establishing procedures for payment of the registration fee on an annual basis. [See: 3 O.S. §§251, 257]

710:15-3-2. Time fees are to be paid

Oklahoma Aircraft Registration Fee is to be paid annually. The fee is due on January 1 of each year, or upon basing or operating an aircraft from any airport in this State for thirty (30) days or longer. [See: 3 O.S. §254]

710:15-3-3. Schedule of fees; personal property assessment in lieu of registration fee

(a) **General classification for fee purposes.** Registration and renewal of registration of aircraft are subject to registration fees and taxes as set forth by statute. [See: 3 O.S. § 256(A)]

(b) **Fee reduction for subsequent years; reduction limit.** The fees in 3 O.S. § 256 (A)(1)-(5) are to be *reduced at a rate of ten percent (10%) each year following the date of manufacture until the fee is equal to fifty percent (50%) of the original fee, which shall then be the fee for each year thereafter.* [3 O.S. §256(A)(7)]

(c) **Special flat rate fee for certain aircraft.** *Antique aircraft as defined by the Federal Aviation Administration, sailplanes, balloons, and home-built aircraft shall be subject to a flat-rate fee of Ten Dollars (\$10.00).* [3 O.S. §256(A)(6)]

(d) **Option to pay personal property assessment in lieu of registration.** Every aircraft owner has the right to appeal the assessment of the fee levied by 3 O.S. §256(A) and the Commission will appraise the aircraft and its avionics as personal property at its fair market value and apply a 12% assessment rate and levy the tax at the appropriate county millage rate. [3 O.S. §256(A)(8)].

[Source: Amended at 35 Ok Reg 2043, eff 9-14-18]

PART 3. ORIGINAL APPLICATIONS

710:15-3-10. Procedures for making original application for registration of aircraft

(a) **Duty to register.**

(1) An application for registration of an aircraft operating on or from any airport within the State of Oklahoma shall be supplied to each purchaser of an aircraft by the dealer of the aircraft, if purchased within the state. The Oklahoma Tax Commission shall supply blank application forms to Oklahoma dealers of aircraft for dissemination.

(2) An application for registration of an aircraft purchased outside the State of Oklahoma which is operating on or from any airport within the state with the intent to remain for more than thirty (30) cumulative days, shall be supplied by the Oklahoma Tax Commission upon request of the owner. Application forms shall also be made available upon request at all airports within the State of Oklahoma.

(3) Aircraft not registered in any other state which are operating on or from any airport within the State of Oklahoma for an accumulation of thirty (30) days shall be presumed to be operating with the intent to remain in Oklahoma, and therefore are subject to Oklahoma registration laws.

(b) **When registration is due.** The certified application is to be filed with the Oklahoma Tax Commission within twenty (20) days of purchase if purchased within the state or within twenty (20) days of entry into the state for other aircraft.

(c) **Information required.** The application must contain the following information:

(1) A description of each aircraft to be registered, including the name of the manufacturer, aircraft registration number, type and gross weight.

(2) Name and address of the owner of the aircraft and county where the aircraft is based, i.e., location and/or address on the Federal Aviation Administration Certificate of Registration for the aircraft.

(d) **Oklahoma certificate of registration; display; inspection.** Upon receipt of the application and the fee due the Business Tax Services Division of the Oklahoma Tax Commission will issue the registrant a certificate of registration to be displayed on the aircraft in a conspicuous location and is subject to inspection by agents of the Commission.

[Source: Amended at 21 Ok Reg 1123, eff 5-13-04]

710:15-3-11. Waiver of penalty imposed against original applicants

Owners of aircraft who have purchased an aircraft for the first time may request a waiver of penalty assessed for failure to timely register the aircraft. The Oklahoma Tax Commission may waive the penalty incurred for untimely registration of an aircraft upon a showing by the applicant that:

- (1) The applicant has made application for registration and paid the registration fee within twenty (20) days of the mailing of notice of nonregistration described in Section 710:15-3-40. If the due date is a Saturday, Sunday or a holiday recognized by the executive department of this state, then the due date shall be the next official working day for the Oklahoma Tax Commission following. Any payment or remittance mailed and postmarked by the United States Postal Service on or prior to the due date shall be considered timely; and
- (2) The owner-applicant has established that he has not previously owned an aircraft registered with the State of Oklahoma. [**See:** 3 O.S. §251]

PART 5. RENEWAL AND TRANSFER**710:15-3-20. Renewal and transfer of aircraft registration**

(a) **Duty to renew registration annually.** All aircraft operating within the State of Oklahoma are required to purchase registration certificates annually from the Oklahoma Tax Commission.

(b) **Mailing of renewal notice.** Application forms will be mailed to the last reported address of each owner of an aircraft previously registered with the Commission, on or before December 1.

(c) **Penalties for non-renewal; late renewal.** Registration certificates must be purchased from the Oklahoma Tax Commission during or prior to January of each year. Penalty for non-purchase shall be twenty cents (.20¢) per day through the last day of February. On March 1st, a penalty equal to the registration fee shall be assessed.

(d) **Transfer of registration.** Registration of aircraft may be transferred upon application to the Oklahoma Tax Commission and payment of a Ten Dollar (\$10.00) fee. [**See:** 3 O.S. § 255]

[**Source:** Amended at 21 Ok Reg 1123, eff 5-13-04]

PART 7. EXEMPTIONS**710:15-3-30. Dealers and manufacturers exemption**

Aircraft manufacturers and aircraft dealers are exempt from Oklahoma Aircraft Registration requirements, provided they have obtained an exemption license or dealer license from the Commission. The fee for the exemption license for manufacturers or for dealers is \$250.00.

- (1) **Manufacturers.** Aircraft manufactured within the state (under an FAA

approved type certificate) which are owned and in the physical possession of the manufacturer are exempt.

(2) **Dealers.** Exemption from aircraft registration requirements for aircraft dealers is strictly limited to aircraft held for sale or resale. These aircraft are considered the dealers' stock or inventory and lose the exemption status if operated or used for purposes other than demonstration or testing. Aircraft registered to persons licensed by the State as dealers, but operated for personal or business use (other than demonstration or testing flights) must be registered under the Oklahoma Aircraft Registration laws and are subject to the levy of aircraft excise tax.

(3) **Dealer reports.** Each aircraft dealer must keep a record of the purchases and sales of each aircraft. The records must show the name and address of the seller or buyer, as the case might be, and contain a description of the aircraft. Dealers must submit the dealer report described above to the Oklahoma Tax Commission, on or before the 20th day of the month following the particular purchase or sale. [See: 3 O.S. §254; 68 O.S. § 6003]

[Source: Amended at 18 Ok Reg 2805, eff 6-25-01]

710:15-3-31. Other exemptions

The following aircraft are exempt from Oklahoma Aircraft Registration requirements:

- (1) Aircraft owned by charitable organizations and used solely for the furtherance of charitable purposes;
- (2) Aircraft belonging to nonresidents of this state and registered in another state;
- (3) Aircraft of the federal government, any agency thereof, any territory or possession thereof, any state government or agency or political subdivision thereof, any aircraft of the Civil Air Patrol used solely in transaction of official business by a unit of the Civil Air Patrol;
- (4) Aircraft licensed by a foreign country with which the United States has a reciprocal agreement covering the operation of such licensed aircraft; and
- (5) Aircraft not currently licensed or not holding a current airworthiness certificate by the Federal Aviation Administration. [See: 3 O.S. §253]

PART 9. ENFORCEMENT

710:15-3-40. Enforcement of registration due on aircraft operating within the State of Oklahoma

(a) **Notice.** The Oklahoma Tax Commission shall obtain Federal Aviation Administration data indicating each aircraft operating in the State of Oklahoma. After determination that an aircraft is not registered with the Oklahoma Tax Commission, the Aircraft Section shall send the FAA registered owner a notice of registration due and statutory penalties applicable.

(b) **Lien.** If the owner fails to register the airplane within thirty (30) days from the date of notice, the Oklahoma Tax Commission shall file evidence of its lien as provided for by Oklahoma Law, as well as with the Federal Aviation Administration. [**See:** 68 O.S. §234; 3 O.S. §257]

SUBCHAPTER 5. AIRCRAFT EXCISE [RESERVED]